

**BANKING DIVISION[187]**

**Notice of Intended Action**

**Proposing rulemaking related to application procedures  
and providing an opportunity for public comment**

The Banking Division hereby proposes to rescind Chapter 2, “Application Procedures,” Iowa Administrative Code, and to adopt a new Chapter 2 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 524.213.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 17A.3, 524.213, 524.303, 524.305, 524.312, 524.544, 524.802, 524.825, 524.901, 524.1201, 524.1303, 524.1401 to 524.1405, 524.1410, 524.1413 to 524.1415, 524.1505, 524.1508 and 524.1509.

*Purpose and Summary*

Pursuant to Executive Order 10 (2023), the Division proposes to rescind Chapter 2 and adopt a new chapter in lieu thereof. This proposed rulemaking eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

*Regulatory Analysis*

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on November 26, 2025. A public hearing was held on the following date(s):

- December 16, 2025
- December 18, 2025

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 187—Chapter 12.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on July 14, 2026. Comments should be directed to:

Zak Hingst  
Department of Insurance and Financial Services, Banking Division  
200 East Grand Avenue, Suite 300  
Des Moines, Iowa 50309-1827  
Phone: 515.242.0332  
Email: [zak.hingst@idob.state.ia.us](mailto:zak.hingst@idob.state.ia.us)

### Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

July 9, 2026 9 to 10 a.m.	Conference Room, Suite 300 200 East Grand Avenue Des Moines, Iowa
July 14, 2026 9 to 10 a.m.	Conference Room, Suite 300 200 East Grand Avenue Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Division and advise of specific needs.

#### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 187—Chapter 2 and adopt the following **new** chapter in lieu thereof:

#### CHAPTER 2 APPLICATION PROCEDURES

**187—2.1(17A,524) Organization of a state-chartered bank.** Persons desiring to organize a state-chartered bank should first meet with the superintendent to discuss the proposal.

This rule is intended to implement Iowa Code section 524.303.

**187—2.2(17A,524) Conversion into state bank.**

**2.2(1)** *Application.* A national bank, federal savings association, out-of-state bank, or state or federally chartered credit union desiring to become a state bank should first meet with the superintendent to discuss the proposal.

**2.2(2)** *Commencement of business as state bank.* The superintendent's "Authorization To Do Business" as a state bank will be issued to be effective on the date of conversion.

**2.2(3)** *Resulting state bank.* The resulting state bank shall submit the oath of directors, list of shareholders, and certificate of elections and appointments to the superintendent on forms to be provided by the superintendent. The oath of directors is to be signed prior to the first meeting of the board of directors following the effective date of the conversion. The list of shareholders is to be completed as of the effective date of conversion.

This rule is intended to implement Iowa Code sections 524.1410 and 524.1413 through 524.1415.

**187—2.3(17A,524) Merger or purchase and assumption.**

**2.3(1)** *Definition.* For purposes of this rule, "merger" means a merger in which the resulting bank is a state bank. "Purchase and assumption" means a transaction in which a state bank purchases the assets and assumes the liabilities of another bank or credit union.

**2.3(2)** *State bank as seller.* In the case of a purchase and assumption, if the bank being acquired is a state bank, appropriate forms and instructions for the voluntary liquidation of the bank may be obtained from the superintendent.

**2.3(3) Examination and investigation.** The superintendent may conduct an examination or investigation as deemed necessary.

**2.3(4) Decision.** The superintendent shall approve or deny the application within 90 days after the purchase and assumption application has been accepted for processing and within 180 days after the merger application has been accepted for processing.

This rule is intended to implement Iowa Code sections 524.1401 through 524.1405.

**187—2.4(17A,524) Establishment of a bank office.**

**2.4(1) Application.** A state bank desiring to establish and operate a bank office shall submit to the superintendent an “Application to Establish a Bank Office.”

**2.4(2) Guidelines.** In determining whether to approve or deny a bank office application for other than a mobile office, a bank-owned courier service, or a convenience office, the superintendent will consider the following factors:

*a.* Whether the convenience and needs of the public and existing customers of the applicant bank will be served by the proposed office.

*b.* Whether the capital structure of the applicant bank is adequate in relation to the costs and anticipated increased business, if any, occasioned by the proposed office.

*c.* The history of operation and management of the applicant bank.

*d.* Such other factors as the superintendent may determine are relevant.

**2.4(3) Decision.** The superintendent shall approve or deny the application within 120 days after the application has been accepted for processing. If the application is approved, the superintendent shall issue a bank office certificate for the establishment and operation of the bank office to be effective on a specific date and at a designated location.

This rule is intended to implement Iowa Code sections 524.312 and 524.1201.

**187—2.5(17A,524) Change of location of principal place of business or bank office.** A state bank desiring to relocate its principal place of business or a bank office shall submit to the superintendent an “Application to Relocate the Principal Place of Business” or “Application to Relocate a Bank Office.”

This rule is intended to implement Iowa Code section 524.312.

**187—2.6(17A,524) Change of control.**

**2.6(1) Application.** An application by any person to purchase or otherwise acquire, directly or indirectly, outstanding shares of a state bank that would result in control or a change in control shall be submitted in the format requested by the superintendent and, at a minimum, contain the following information:

*a.* Copy of the agreement between the purchaser and seller for the sale of stock that results in the buyer acquiring a majority interest in the state bank.

*b.* Terms of any financing, including any bank stock loan, including the amount to be borrowed, rate of interest, number of years the loan is to run, collateral pledged to secure the indebtedness, and any other pertinent information relating to such loan.

*c.* Financial statement of the purchaser and a résumé related to the purchaser’s past experience and affiliations.

*d.* Pro forma statement of the purchaser’s income and expenses during the term of any bank stock loan and a statement from the purchaser indicating which assets will be converted to cash or pledged as security to provide the initial equity.

*e.* Projections of statement of condition of the state bank to be purchased during the term of any bank stock loan.

*f.* Projections of income and expenses of the state bank to be purchased during the term of any bank stock loan.

*g.* Any plans that the purchaser may have that would represent major changes in the present staff or policies of the state bank involved.

*h.* When requested by the superintendent, an affidavit signed by the purchaser stating that the majority interest in the state bank is not being acquired for the benefit of another person or company.

**2.6(2) Decision.** The superintendent shall approve or deny the application within 90 days after the application has been accepted for processing. Upon receipt of a certificate of approval, the applicant may proceed to conclude the purchase transaction, subject to such terms and conditions as the superintendent may impose.

This rule is intended to implement Iowa Code section 524.544.

**187—2.7(17A,524) Amendment or restatement of articles of incorporation.**

**2.7(1) Application.** State banks desiring to effect a reverse stock split or similar change in capital structure by such renewal, amendment, or restatement should contact the superintendent to discuss the proposal prior to its adoption.

**2.7(2) Decision.** Upon filing such articles, the secretary of state will return the original to the state bank and will also issue a certificate to the state bank indicating the date the filing was effective.

This rule is intended to implement Iowa Code sections 524.1505, 524.1508, and 524.1509.

**187—2.8(17A,524) Supplemental application procedures.**

**2.8(1) Hearings.** If the superintendent deems a public hearing necessary with respect to any application, the superintendent may establish appropriate procedures to provide a method by which all persons interested in the subject matter of such applications may present their views. Interested persons may also present their views in a more informal manner when deemed appropriate by the superintendent.

**2.8(2) Public file.**

*a.* The public file in each case consists of the application with supporting data and supplementary information, with the exception of material deemed by the superintendent to be confidential. In addition, the public file shall contain all data and information submitted by interested persons in favor of or in opposition to such application, excluding any material deemed by the superintendent to be confidential. The superintendent or the superintendent's designee shall not deem information confidential for purposes of the two immediately preceding sentences unless the person submitting the information requests that such information be deemed confidential. All factual information contained in any internal investigation report made by a bank examiner shall also be made a part of the public file unless deemed confidential by the superintendent. The person submitting the application shall not request that the entire application be deemed confidential.

*b.* The public file is available for inspection in the office of the superintendent upon request pursuant to Iowa Code chapter 22 and 187—Chapter 7.

**2.8(3) General application procedures.** Unless otherwise provided by statute or rule, the following general provisions cover all applications:

*a.* Application forms are available on the division's website or upon request.

*b.* The superintendent may conduct an investigation in association with an application as deemed necessary.

*c.* The decision by the superintendent shall be conveyed in writing to the applicant.

*d.* If the application is approved, the superintendent will deliver a certificate of approval or other appropriate form of authorization to the applicant.

This rule is intended to implement Iowa Code sections 17A.3, 524.305, 524.312, 524.1201, 524.1303, and 524.1403.

**187—2.9(524) Investment in a bank service corporation or other subsidiary.**

**2.9(1) Application.** An application by a state bank to invest in a bank service corporation or other subsidiary for purposes of engaging in an authorized activity shall be in letter form and contain, at a minimum, the following information.

*a.* A detailed description of the proposed authorized activity of the bank service corporation or other subsidiary.

*b.* A detailed description of the location(s) where the bank service corporation or other subsidiary proposes to conduct its authorized activity.

*c.* Evidence that the bank service corporation or other subsidiary will:

- (1) Be adequately capitalized in relation to the risks associated with the proposed authorized activity;
  - (2) Have sufficient managerial resources to perform the proposed authorized activity;
  - (3) Obtain all licenses and approvals from other regulatory agencies necessary to perform the proposed authorized activity;
  - (4) Maintain a separate and adequate accounting system and other corporate records; and
  - (5) Conduct its authorized activity pursuant to independent policies and procedures designed to inform customers and prospective customers of the bank service corporation or other subsidiary that it is a separate organization from the state bank.
- d.* A legal opinion that the proposed authorized activity of the bank service corporation or other subsidiary is permissible under state and federal laws and regulations if requested by the superintendent.
- e.* The amount that the state bank proposes to initially invest in the bank service corporation or other subsidiary.
- f.* A copy of the resolution adopted by the state bank's board of directors authorizing the investment in the bank service corporation or other subsidiary.

**2.9(2) *Investment limitation.*** Unless state or federal statutes impose specific limitations relating to investments in the shares of a corporation by a state bank, a state bank's maximum permissible investment in an individual bank service corporation or other subsidiary is 15 percent of its aggregate capital as defined in Iowa Code section 524.103 and a state bank's maximum permissible investment in all bank service corporations or subsidiaries is 5 percent of its total assets. At the superintendent's discretion, a higher investment limitation may be established for an investment by a state bank in an operations subsidiary as defined in Iowa Code section 524.103. For purposes of this rule, "invest" or "investment" includes any advance of funds to a bank service corporation or other subsidiary, whether by the purchase of stock, the making of a loan, or otherwise.

**2.9(3) *Decision.*** The superintendent shall approve or deny the application within 60 days after the application is received.

**2.9(4) *Revocation.*** The superintendent may revoke a previously granted approval to invest in a bank service corporation or another subsidiary and order divestiture of the shares, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur:

- a.* The financial condition of the state bank has significantly deteriorated;
- b.* The superintendent determines the authorized activity is being conducted unlawfully or in an unsafe or unsound manner; or
- c.* Other relevant factors exist that the superintendent may determine are grounds to revoke the authorized activity.

This rule is intended to implement Iowa Code section 524.802.

#### **187—2.10(524) Securities activities.**

**2.10(1) *Scope.*** Iowa law authorizes state banks to engage in any aspect of the securities business. Recommending and selling interests in mutual funds, annuities, and other nondeposit investment products on bank premises may be conducted directly by a state bank, through a subsidiary or an affiliate of a state bank, or through an arrangement with a third-party vendor.

**2.10(2) *Board responsibilities.*** The board of directors of a state bank shall evaluate the risks associated with the securities activities proposed and the method by which the securities activities will be conducted on its premises. The board of directors shall be responsible for ensuring that any securities activities conducted on its premises will comply with all applicable state and federal laws and regulations as well as any policy statements issued that relate to securities activities. Specifically, if a state bank develops and implements a particular program where nondeposit investment products are recommended and sold to retail customers, that program shall ensure that customers are clearly and fully informed of the nature of and risks associated with those types of products. If an affiliate, a subsidiary, or a third-party vendor is used to recommend and sell nondeposit investment products, all signs, advertisements and other promotional material should clearly identify the affiliate, subsidiary, or third-party vendor as the seller and should not suggest by use of a trade name that the state bank is the seller. The board of directors shall be responsible for complying with the joint federal Interagency

Statement on Retail Sales of Nondeposit Investment Products or any substitution therefor or revision thereof.

**2.10(3) Application.** An application by a state bank to engage in any securities activities shall be in letter form and contain, at a minimum, the following commitments:

*a.* That the proposed securities activities will be conducted either directly by the state bank, through a subsidiary or an affiliate of the state bank, or through an arrangement with a third-party vendor. In specific cases, it may be necessary for the applicant to provide a legal opinion stating that the proposed activities are authorized.

*b.* That the state bank's board of directors has evaluated the risks associated with the proposed securities activities and has adopted a written statement that addresses these risks and the procedures to be used to ensure compliance with all applicable laws, regulations and policy statements. The scope and level of detail of the written statement should reflect the state bank's level of involvement in the securities activities. If securities activities are to be conducted on bank premises by an affiliate, a subsidiary, or a third-party vendor, the written statement should also address the scope of those activities, as well as the procedures for monitoring compliance by the affiliate, subsidiary, or third-party vendor with all applicable laws, regulations, and policy statements.

*c.* That, if securities activities are to be conducted through an affiliate, a subsidiary, or a third-party vendor, the board of directors has performed an appropriate review of the affiliate, subsidiary, or third-party vendor. A copy of the written agreement between the parties shall accompany the application.

*d.* That the location(s) on bank premises where the proposed securities activities will be conducted will be physically distinct and separate from the area where deposits are taken. Proper signs or other means must be used to distinguish the area where the sale of retail nondeposit investments products will be conducted from the area where insured deposits are normally taken. If securities activities are to be conducted on bank premises by an affiliate, a subsidiary, or a third-party vendor, all signs or other means used to identify this area shall provide to the retail customer a clear and accurate representation of the entity conducting the securities activities.

*e.* That clear and concise oral and written disclosures will be provided to retail customers. A copy of the proposed written disclosures shall accompany the application.

*f.* That the state bank, its subsidiary or affiliate, or a third-party vendor will complete background checks on all personnel authorized to recommend and sell nondeposit investment products and that all such personnel will be properly trained and appropriately licensed prior to commencing any securities activities and thereafter while conducting securities activities on the premises of the state bank.

Notwithstanding the application requirements set forth herein, if the securities activity being conducted is limited to discount brokerage or referral services, then the state bank only needs to notify the superintendent that it intends to engage in the limited securities activity.

**2.10(4) Revocation.** The superintendent may revoke a previously granted approval to conduct securities activities on the premises of the state bank, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur.

*a.* The financial condition of the state bank has significantly deteriorated.

*b.* The superintendent determines the securities activities are being conducted unlawfully or in an unsafe or unsound manner.

*c.* Other relevant factors exist that the superintendent may determine are grounds for a revocation of the securities activities.

This rule is intended to implement Iowa Code section 524.825.

## **187—2.11(524) Futures, forward, and standby contracts.**

**2.11(1) Scope.**

*a.* Futures contracts are defined as standardized contracts traded on and guaranteed by organized exchanges to purchase or sell a specified security or a bank certificate of deposit on a future date at a specified price. Forward contracts are defined as over-the-counter contracts for forward placement or delayed delivery of securities in which one party agrees to purchase and another to sell a specified security at a specified price for future delivery. Contracts specifying settlement in excess of 30 days following the trade date are deemed to be forward contracts. Standby contracts are defined as optional

forward contracts. For example, the buyer of a standby contract (put option) pays a fee for the right or option to sell securities to the other party at a stated price at a future time. The seller of a standby contract receives the fee and must stand ready to buy the securities at the other party's option.

b. Futures contracts, forward contracts, and standby contracts may be used by state banks to reduce their existing interest rate risk exposure resulting from their overall investment activities and as a general hedge against interest rate exposure associated with undesired mismatches in interest-sensitive assets and liabilities. At no time shall futures, forward, and standby contracts be used to speculate on future interest rate movements.

c. State banks may, without the prior approval of the superintendent, purchase shares in permissible investment companies, up to a maximum of 15 percent of aggregate capital, which use futures contracts, forward contracts, and standby contracts, as well as repurchase agreements and securities lending arrangements as a part of their portfolio management strategies. It remains the responsibility of the board of directors making these purchases to ensure that a particular investment company is a proper holding for the state bank's investment portfolio.

**2.11(2) Application.** An application by a state bank to engage in futures contracts, forward contracts, and standby contracts shall be in letter form and contain, at a minimum, the following information:

a. A description of the type(s) of contracts the state bank proposes to purchase and sell.

b. A copy of the board of directors' resolution authorizing the specific type(s) of contracts proposed to be purchased and sold.

c. A copy of the policy adopted by the state bank's board of directors that shall include specific policy objectives that outline permissible contract strategies and their relationship to overall investment activities and asset-liability management; the names, responsibilities, and authority limits of the personnel authorized to engage in futures, forward, and standby contracts; limitations applicable to futures, forward, and standby contract positions; the personnel to be used to review at least monthly the state bank's contract positions to ascertain compliance with such limits; the exchanges and firms through which authorized personnel may conduct futures, forward, and standby contracts; and the dollar limit on transactions with each firm.

d. A representation that the state bank has sufficient managerial resources to engage in futures, forward, and standby contracts.

**2.11(3) Revocation.** The superintendent may revoke the approval of the state bank to engage in futures, forward and standby contracts, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur:

a. The financial condition of the state bank has significantly deteriorated.

b. The superintendent determines the futures, forward, or standby contract activities are being conducted unlawfully or in an unsafe or unsound manner.

c. Other relevant factors exist that the superintendent may determine are grounds for a revocation of the activities.

This rule is intended to implement Iowa Code section 524.901.

## **187—2.12(17A,524) Mobile offices, courier services, and convenience offices.**

### **2.12(1) Definitions.**

*"Bank-owned courier service"* means a service that has the sole purpose of serving specific customers with pick-up or delivery services for banking activities such as deposits, withdrawals, and loan transactions.

*"Convenience office"* means a bank office at a fixed site that is open only at certain times or dates, such as at a nursing home, college orientation, or fair. The sole purpose of a convenience office is to serve the convenience of the bank's customers at specified special events or who may have limited mobility.

*"Mobile office"* means a bank office that does not have a permanent site and functions out of a mobile banking unit that stops at predetermined locations to conduct banking activities.

**2.12(2) Scope.** A state bank may provide courier services to its customers by using a third-party provider operated under the provider's name or using the state bank's employees operating in the state

bank's own name. Customer deposits picked up by a courier service become deposits of the state bank at the time the deposits are picked up by the courier service. A state bank that establishes and operates courier services in its own name using its own employees must establish the vehicle it uses to provide courier services as a bank office in accordance with the provisions of this rule.

A state bank that uses a third party to provide courier services to its customers may pay the third party directly for those services and may charge its customers for third-party courier services as the state bank deems appropriate. Superintendent approval is not required for a state bank to provide courier services to its customers by using a third party.

**2.12(3) Policy.** The board of directors of a state bank that operates a mobile office, bank-owned courier service, or convenience office shall adopt a policy governing operation of the mobile office, bank-owned courier service, or convenience office. The policy shall be appropriate for the nature and scope of the state bank's use of the mobile office, bank-owned courier service, or convenience office and shall at a minimum:

*a.* Address the steps the bank will take to protect the security of the office, its customers, employees, its customers' financial information and deposits. The security plan may include implementation of customer and employee security systems such as security cameras, external lighting, and internal or attached protection zones.

*b.* Require the bank to maintain deposit insurance coverage for the mobile office, bank-owned courier service, or convenience office.

*c.* Require the bank to main adequate insurance coverage covering the bank in case of robbery, accident, other loss of items, delay in the delivery of items to other destinations, and other liabilities associated with operating the office.

*d.* Address types of activities the bank will conduct from the mobile office, bank-owned courier service, or convenience office.

*e.* Require the bank to maintain a daily log of operations including descriptions of the time and locations of each stop made by the mobile office or bank-owned courier service, the locations and the hours a convenience office was operated, and the names of the bank personnel working at the mobile office, bank-owned courier service, or convenience office during those times.

*f.* Address what, if any, signage the state bank will place on the mobile office, bank-owned courier service, or convenience office.

*g.* For mobile offices and bank-owned courier services, address how the state bank will determine the locations at which it will provide services and the times it will be at those locations, including how the state bank will ensure that the mobile office, bank-owned courier service, or convenience office is located in a safe location and has the necessary permission of the owner of the property where the mobile office, bank-owned courier service, or convenience office is located to operate at that location.

**2.12(4) Necessary federal approval.** If the state bank must receive approval from any federal agency, such as the Federal Deposit Insurance Corporation (FDIC), prior to operating a mobile office, bank-owned courier service, or convenience office, such federal approval will be a condition of approval by the superintendent of banking of the application to operate a mobile office, bank-owned courier service, or convenience office.

**2.12(5) Interstate banking.** A mobile office or bank-owned courier service shall not operate in another state unless the state bank has obtained any required permissions from the other state and the appropriate federal regulator.

This rule is intended to implement Iowa Code sections 524.213 and 524.1201.

**187—2.13(17A,524) Required fees.** The following is a schedule of the fees for corporate applications filed by state banks adopted by the superintendent:

Conversion to a state bank:	\$5,000 + examination fee
New (de novo) state bank:	\$15,000
Certificate of Good Standing or Proof of Official Records:	\$25

This rule is intended to implement Iowa Code sections 524.213, 524.303, 524.305, 524.1410, 524.1413, and 524.1415.